



Business Consulting Services

Financial Management Solutions

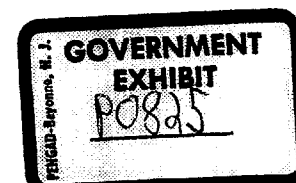
Finance on Demand

Analyst Briefing

January 2003



© Copyright IBM Corporation 2003





Business Consulting Services

Practice Overview

Point of View

Case Studies

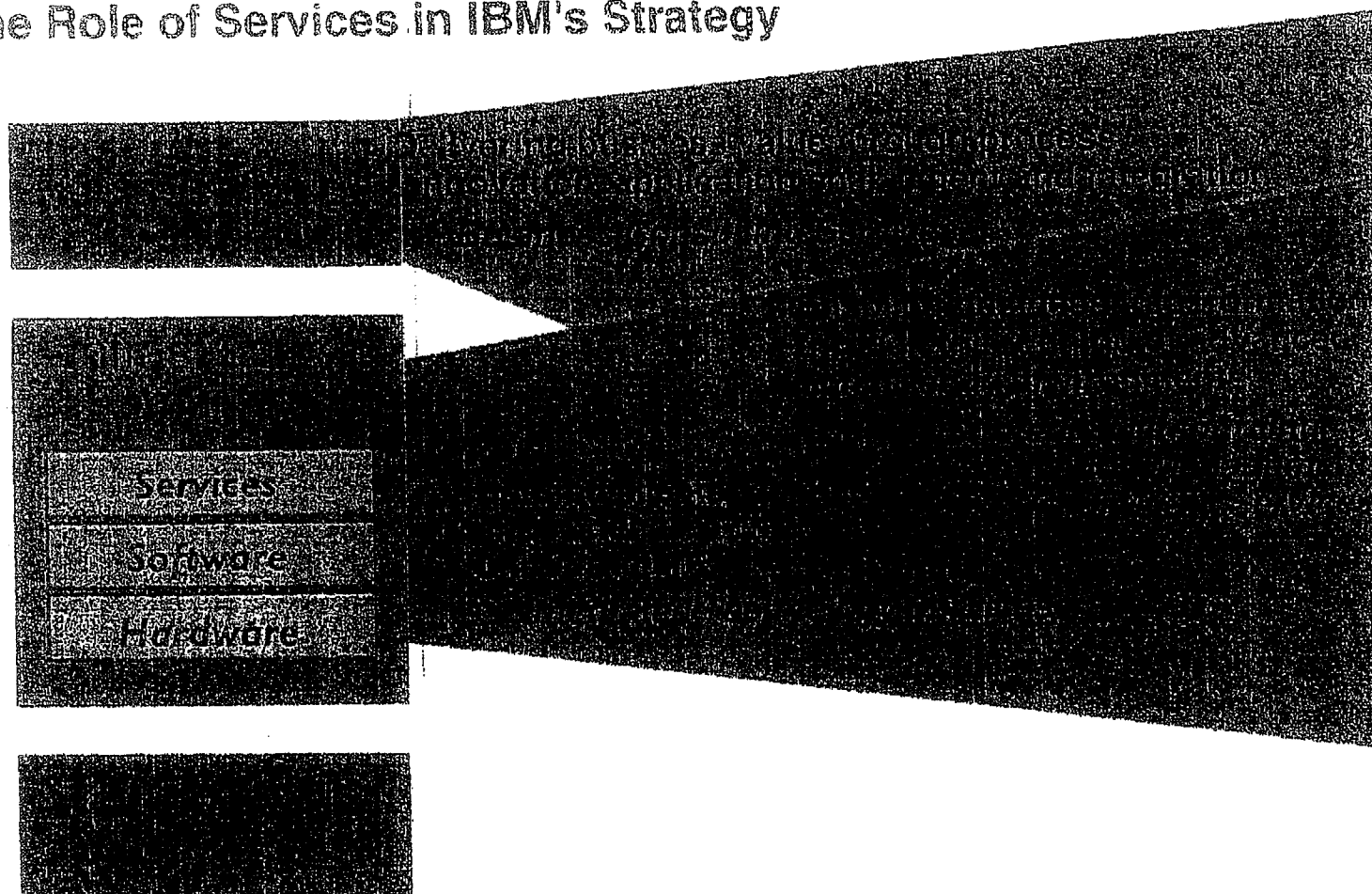
Appendix

- Vendor Relationships
- Accelerators & Thought Leadership
- Services Points of View

"PLEASE NOTE THAT IBM recently completed its acquisition of PricewaterhouseCoopers' global management consulting and information technology services business, PwC Consulting. As a result, PwC Consulting is no longer a part of the PricewaterhouseCoopers network of firms, and is now a part of the IBM Global Services business unit. IBM (including IBM Global Services) and PricewaterhouseCoopers are not the same organization, and neither governs or is affiliated with the other, or any affiliate, subsidiary or division of the other."

© Copyright IBM Corporation 2003

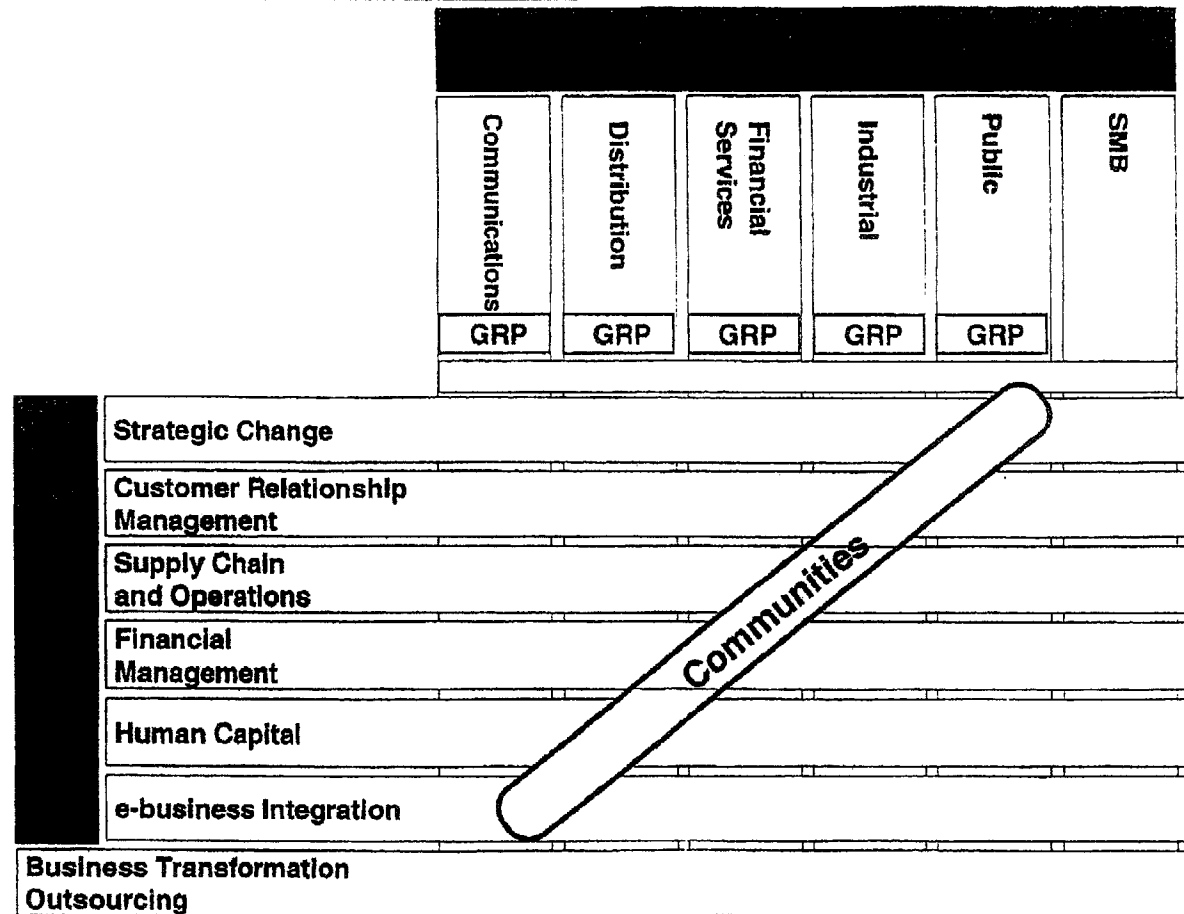
The Role of Services in IBM's Strategy



BCS is a business services partner of unmatched breadth and depth

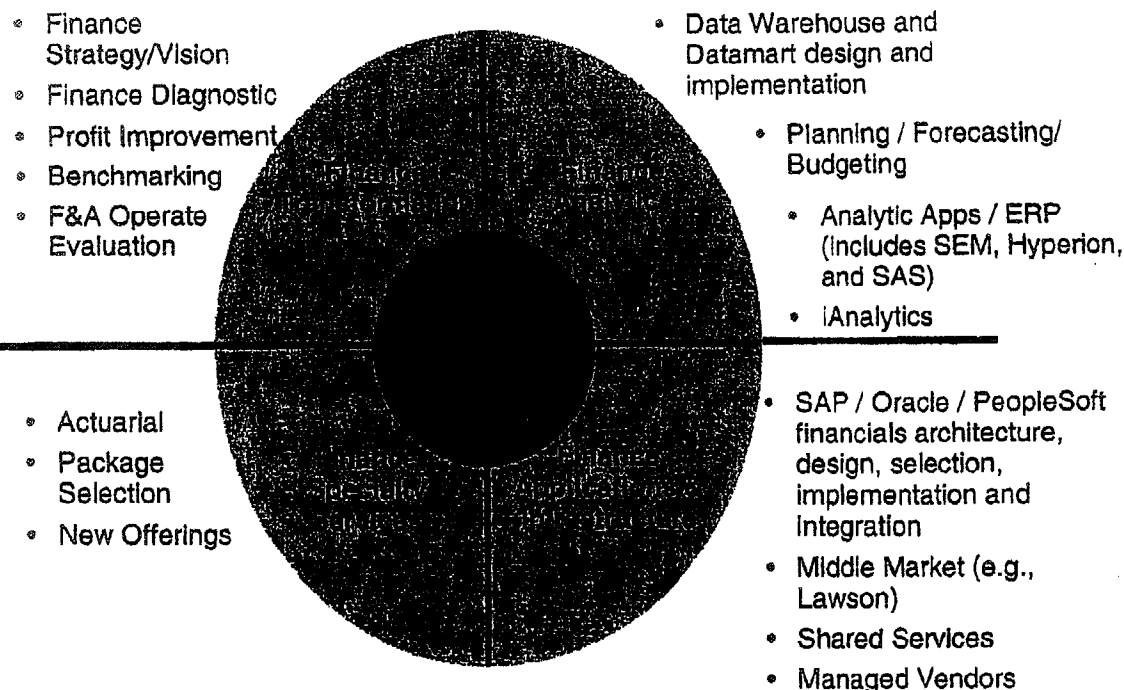
- 
- The world's largest consulting organization
 - 60,000 professionals
 - Deep experience and expertise in 17 industries
 - Broad IBM solutions spanning strategic change, customer relationship management, supply-chain operations, financial management, and human capital
 - BCS can access the global capabilities of IBM including integrated technology services, application management services, strategic outsourcing, and global financing
 - BCS participates in IBM's \$5 billion annual investment in technology and business research

How we operate

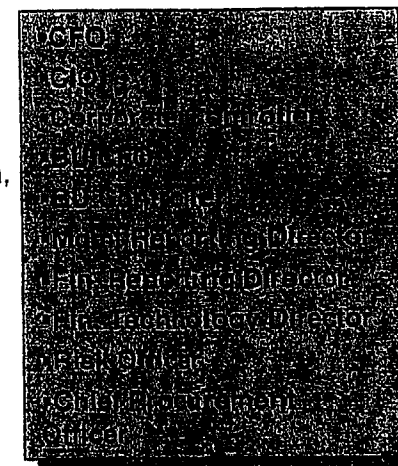


FMS Solution Overview

FMS is unique in combining ERP, Transformation, and Analytics offerings in one solution area



Who Buys our Services?



FMS offers differentiated solutions

Our Five Key Differentiators

Deep Experience	<ul style="list-style-type: none"> • A \$2B business with over 6000 consultants globally • FMS worked with 74% of the global Fortune 50 and 82% of the European Financial Times 50 in 2001 • Unique record of strong relationships with CFOs and Finance leaders
Marketplace Recognition	<ul style="list-style-type: none"> • Recognized as #1 in Consulting Brand Awareness with CFOs* • Extensive coverage in leading business publications in FY02
Vendor Relationships	<ul style="list-style-type: none"> • Largest integrator of SAP, PeopleSoft and Oracle • Recipient of SAP Awards of Excellence, Oracle Global Partner Award and PeopleSoft Award of Excellence
Approach and Style	<ul style="list-style-type: none"> • Provocative, future-oriented perspectives combined with "here-and-now" practicality • Multi-disciplinary teams custom-tailored for each engagement • Collaborative workstyle that fully engages our clients
Breadth of Capability	<ul style="list-style-type: none"> • Unique offering footprint combines ERP, Transformation, and Analytics • Capable of delivering every component of the solution: strategy, process, industry experience, applications, infrastructure, technology and operate (e.g., 2500 people in F&A outsourcing)

* Source: IBM Internal Research

FMS works with the world's premier companies and leading public entities

--	--	--	--	--------------------------	------------------------------



Business Consulting Services

Practice Overview

Point of View

Case Studies

Appendix

- Vendor Relationships
 - Accelerators & Thought Leadership
 - Services Points of View
-

"PLEASE NOTE THAT IBM recently completed its acquisition of PricewaterhouseCoopers' global management consulting and information technology services business, PwC Consulting. As a result, PwC Consulting is no longer a part of the PricewaterhouseCoopers network of firms, and is now a part of the IBM Global Services business unit. IBM (including IBM Global Services) and PricewaterhouseCoopers are not the same organization, and neither governs or is affiliated with the other, or any affiliate, subsidiary or division of the other."

© Copyright IBM Corporation 2003

CFOs are experiencing increasing pain working with the traditional Finance value chain



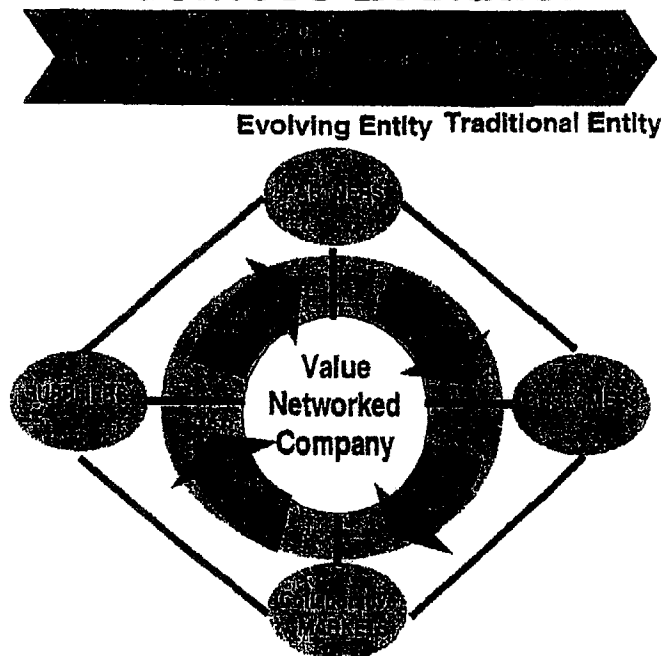
Client pain points driving Finance Transformation

- Inability to forecast accurately
- Need for increased speed of reporting
- Changing regulatory requirements: e.g., Sarbanes-Oxley, Basel II, IAS
- Inconsistent data
- Manually intensive efforts
- Excessive working capital
- Low return on investments
- Increasing scrutiny around traditional
- No single version of the truth
- Lack of visibility into product and customer profitability
- Weak analytical staff competencies
- Multiple chart of accounts and ERP instances
- Lack of clarity between dotted and solid line reporting
- Need for Finance to become more nimble and get closer to the business
- High cost of IT support

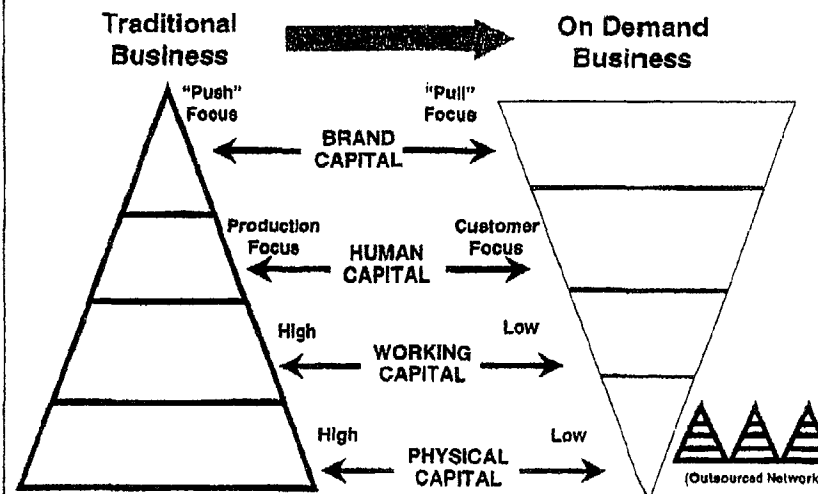
Business models are changing to On Demand

The On Demand era is volatile, unpredictable, competitive, changing ever-faster, shifting costs to variable, and equating technology and strategy

Business Evolution



Decapitalized On Demand Business



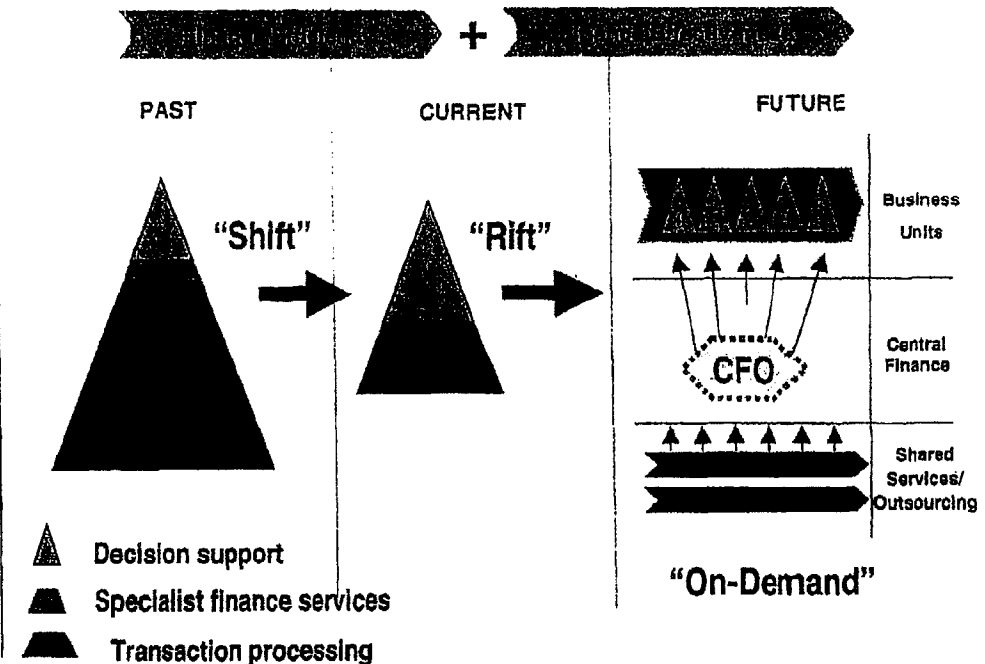
In the On Demand business, Finance is becoming a discipline

Finance On Demand Trends

Four trends are changing the way Finance creates value at our clients:

- **Responsive:** Process is being seamlessly embedded into technology enabling rapid sense and respond capabilities across the value chain
- **Variable:** Technology advances are allowing Finance to become a virtual organization
- **Focused:** Managing information effectively is becoming Finance's core competency
- **Resilient:** Finance is strengthening its fiduciary role around managing risk and opportunity

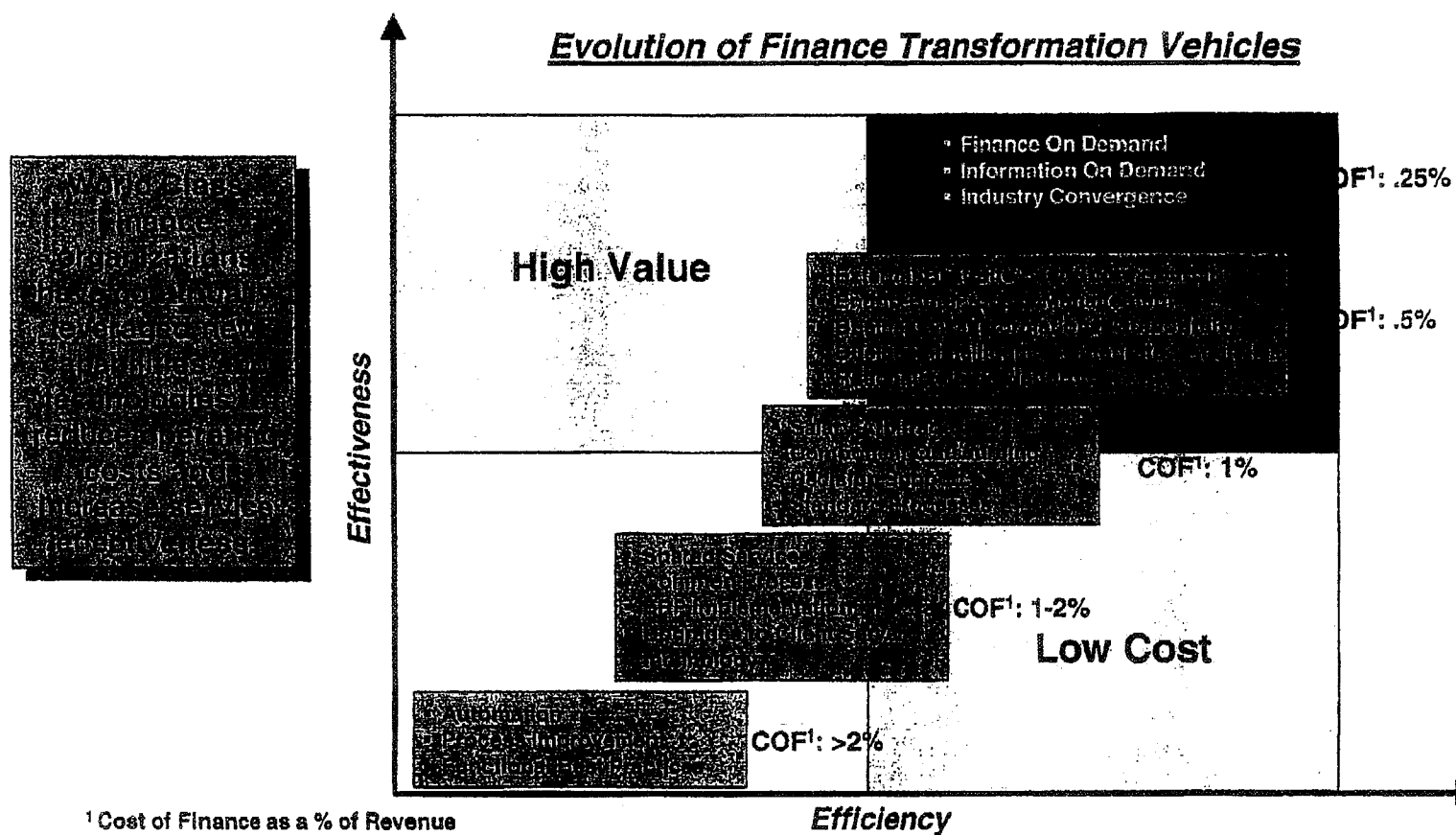
Evolution in Finance's Model



Finance On Demand value proposition

Finance wants to ...	Finance On Demand delivers ...	
Adapt quickly to business changes Speed information flows	<ul style="list-style-type: none"> Forward looking Decision Support Flexibility to introduce new products and services and to existing services Enhanced performance monitoring and service visibility across function and geographic boundaries 	Responsive
Reduce costs and decapitalize Improve quality Increase staffing flexibility	<ul style="list-style-type: none"> Immediate and near real time cost saving Offshoring of critical functions Move from fixed costs to variable costs Reduction in critical systems and data costs 	Variable
Enhance capabilities Act as true business partners	<ul style="list-style-type: none"> Thinware focus on core capabilities and release time for value added business Close relationship with the business to influence value creation 	Embedded
Provide assurance, ensure controls, and reduce risks	<ul style="list-style-type: none"> Consistent integrated solution for data Rules driven processing and reporting Industry best practice and performance metrics 	Resilient

The Evolution of Finance Transformation Vehicles



Transformation yields both immediate and future benefits

"Today"		"Tomorrow"	
Transformational Benefits	Savings	Ongoing Benefits	Savings
• Hardware/software maintenance and rationalization	\$\$\$	• Lower HR costs (e.g., FTE's/\$B Rev)	\$\$\$\$
• Reduction number of Finance Applications	\$\$\$	• Better cash flow	\$
• Shared Services	\$	• Lower exception processing costs	\$
• Process Engineering	\$	• Taxes & benefits	\$
• Productivity	\$	• Increased focus on core competency	\$\$\$\$
• Management Leverage	\$	• Overall Cost of Finance	\$\$\$\$
• Fixed Costs Effectiveness (e.g., Rent)	\$	• Cost of IT Support in Finance	\$\$\$
• iAnalytics – quality decision support	\$\$\$\$	• Reduction In Hidden Cost of Finance	\$
• Leverage vendors to manage spend	\$		
• Labor arbitrage (3 tier approach)	\$\$\$\$		

Operational Differentiators

• Lower HR costs (e.g., FTE's/\$B Rev)	• Better cash flow	• Lower exception processing costs	• Taxes & benefits	• Increased focus on core competency	• Overall Cost of Finance	• Cost of IT Support in Finance	• Reduction In Hidden Cost of Finance
--	--------------------	------------------------------------	--------------------	--------------------------------------	---------------------------	---------------------------------	---------------------------------------



Business Consulting Services

Practice Overview

Point of View

Case Studies

Appendix

- Vendor Relationships
 - Accelerators & Thought Leadership
 - Services Points of View
-

"PLEASE NOTE THAT IBM recently completed its acquisition of PricewaterhouseCoopers' global management consulting and information technology services business, PwC Consulting. As a result, PwC Consulting is no longer a part of the PricewaterhouseCoopers network of firms, and is now a part of the IBM Global Services business unit. IBM (including IBM Global Services) and PricewaterhouseCoopers are not the same organization, and neither governs or is affiliated with the other, or any affiliate, subsidiary or division of the other."

© Copyright IBM Corporation 2003



Case Study: On Demand Finance at BP

Business Value	Business Process	Business Process Improvement	Business Process Improvement	Business Process Improvement
Responsive	Insight-driven decision making	<ul style="list-style-type: none"> Provide decision makers at all levels with the right information, when and where they need it Increase customer service by leveraging technology and emphasizing quality 	<p>Increased Customer Satisfaction and Improved Quality and Service Delivery</p> <p>Enabled Upstream Business Units and Asset Managers to do real-time planning and forecasting, as well as "what-if" simulations around their financial and operational metrics</p>	<p>Customer satisfaction ratings growing continuously:</p> <p>2000: 3.69 2001: 3.76 2002: 3.83</p>
Variable	Customer Service	<ul style="list-style-type: none"> Improve customer service by providing timely and accurate information Reduce customer service costs by automating processes 	<p>Reduced customer service costs by automating processes</p> <p>Improved customer service by providing timely and accurate information</p>	<p>Customer service costs reduced by 30-50%</p> <p>Customer service ratings improved by 30-50%</p>
Focused	Return on Investment	<ul style="list-style-type: none"> Shift focus from transaction processing to partnering with the business on value drivers Reduce monotonous tasks for finance employees; freeing up time to innovate 	<p>Created a "visionary" planning and forecasting environment that provided standardization, data transparency, collaboration, and innovation across its 55 Upstream business units and management teams</p>	<p>Acquisition integration cycle times reduced by 30-50%</p> <p>Employee attrition rates low</p>
Resilient	Business Continuity	<ul style="list-style-type: none"> Improve business continuity by automating processes Reduce business continuity costs by automating processes 	<p>Improved business continuity by automating processes</p> <p>Reduced business continuity costs by automating processes</p>	<p>Business continuity costs reduced by 30-50%</p> <p>Business continuity ratings improved by 30-50%</p>

Case Study: On Demand Finance at Bank of Montreal

BMO Financial Group

Before	After	Before	After	Before
Responsive	Insight-driven decision making	<ul style="list-style-type: none"> Organized along lines of business without granular financial data below sub-Line of Business Financial information inadequate to support the bank's Value Based Management strategy Little visibility into organization; unable to allocate capital or resources or make appropriate levels of investment consistent with VBM Inability to align incentive compensation with VBM strategy Little insight into components of profitability, such as gross margin on services, to support pricing and analysis. 	<p>Multidimensional (LOB, product, channel, customer) P&L's and balance sheets for the entire organization.</p> <p>New profitability methodologies and processes to support VBM measurements.</p> <p>Delivery of critical information on any view to business managers "on demand."</p> <p>Granular information on business provided "on-demand".</p> <p>Pricing and forecasting data improved and integrated with VBM.</p>	BMO estimates gaining \$150 million per annum in NIAT for each additional 1% increase in revenue and each 1% decrease in NIE as a result of better decision making and investments.
Variable	Quantifiable	<ul style="list-style-type: none"> Unable to quantify the impact of business decisions on profitability Unable to quantify the impact of business decisions on profitability Unable to quantify the impact of business decisions on profitability 	<p>Ability to quantify the impact of business decisions on profitability</p> <p>Ability to quantify the impact of business decisions on profitability</p> <p>Ability to quantify the impact of business decisions on profitability</p>	Improved ability to quantify the impact of business decisions on profitability
Focused	Return on investment	<ul style="list-style-type: none"> Inability to react to market and organizational changes in profitability measurement. Finance consumed with transaction processing – no ability to analyze and affect change. Minimal information to support business decisions. 	<p>Finance focuses on analysis and value creation – not transactions.</p> <p>Information supports dynamic scenarios and re-measurement based on market or organizational changes.</p> <p>Operationalized VBM strategy.</p>	Faster responses to changing conditions; contributor to \$150 million p.a. improvement
Robust	Highly detailed	<ul style="list-style-type: none"> Unable to provide detailed information on profitability Unable to provide detailed information on profitability Unable to provide detailed information on profitability 	<p>Ability to provide detailed information on profitability</p> <p>Ability to provide detailed information on profitability</p> <p>Ability to provide detailed information on profitability</p>	Highly detailed information on profitability

Case Study: On Demand Finance at Marathon Oil



Business Unit	Business Unit	Business Unit	Business Unit	Business Unit
Responsive	Insight-driven decision making	<ul style="list-style-type: none"> Marathon experiencing a performance gap relative to competitors Provide decision makers at all levels with the right information, when and where they need it Increase customer service by leveraging technology and emphasizing quality 	Information On Demand helped to improve the return on capital deployed in the business unit Increased the overall transparency of business performance by providing accurate and consistent views of the data	1% Improvement in Return on Invested capital (ROIC)
Variable	Return on Investment	<ul style="list-style-type: none"> Shift focus from transaction processing to partnering with the business on value drivers Reduce monotonous tasks for finance employees; freeing up time to innovate 	Improved procurement capability Developed management scorecards and economic profitability reports Developed a common value and profitability model across the business	2-5% Improvements in Procurement
Focused	Return on Investment	<ul style="list-style-type: none"> Shift focus from transaction processing to partnering with the business on value drivers Reduce monotonous tasks for finance employees; freeing up time to innovate 	Improved procurement capability Developed management scorecards and economic profitability reports Developed a common value and profitability model across the business	2-5% Improvements in Procurement
Focused	Return on Investment	<ul style="list-style-type: none"> Shift focus from transaction processing to partnering with the business on value drivers Reduce monotonous tasks for finance employees; freeing up time to innovate 	Improved procurement capability Developed management scorecards and economic profitability reports Developed a common value and profitability model across the business	2-5% Improvements in Procurement



Business Consulting Services

Practice Overview
Point of View
Case Studies

Appendix

- Vendor Relationships
- Accelerators & Thought Leadership
- Services Points of View

"PLEASE NOTE THAT IBM recently completed its acquisition of PricewaterhouseCoopers' global management consulting and information technology services business, PwC Consulting. As a result, PwC Consulting is no longer a part of the PricewaterhouseCoopers network of firms, and is now a part of the IBM Global Services business unit. IBM (including IBM Global Services) and PricewaterhouseCoopers are not the same organization, and neither governs or is affiliated with the other, or any affiliate, subsidiary or division of the other."

© Copyright IBM Corporation 2003

Key FMS Vendor Relationships

- Strategic Vendors

- Finance Applications service offers tied to the Big 3 represent about 48% of FMS sales globally
- SAP FICO sales represent almost 40% of Finance Apps sales followed by Oracle at about 35% and PeopleSoft around 25%
- Moreover, we're recognized frequently:
 - SAP Award of Excellence every year, in each location awarded
 - Oracle Global Partner Award
 - PeopleSoft Award of Excellence
 - Significant participation by key vendors in each of BCS's solution sets

PeopleSoft®



ORACLE®

Additional Finance Vendor Relationships


- **Lawson**
 - Number #1 Partner in Lawson's Top Tier and the largest Lawson Implementation Services Partner
- **JD Edwards**
 - Global network of practitioners; strong focus in Pharma
- **Microsoft Business Solutions**
 - Strong emerging practice with Microsoft Business Services focused on Eastern US with aggressive plan to go Americas-wide
- **Cognos**
 - Selected as a global vendor to provide core business intelligence (BI) tools for iAnalytics solution
- **Informatica**
 - Collaborating closely since 2000 around analytic application s development and jointly trained more than 300 consultants
- **Hyperion**
 - Long history of successful collaboration with leading Finance clients
- **Others, Including Business Objects**



FMS Learning and Knowledge Solution Accelerators


- Practitioners have full access to use and contribute to our global knowledge databases, virtual training and experience
- FMS continuously refines and enhances our FMS methods and approaches based on harvesting the best insights and materials from projects occurring around the globe
- Mature Network of Excellence linked databases for sharing knowledge globally for FMS, SAP, PeopleSoft, Oracle and iAnalytics (sample navigation screens are included)
- Our practitioners are trained to use the following project tools:
 - Methods
 - BCS and IBM methods
 - Solution set and vendor specific methods (i.e. SAP method, Oracle method)
 - Accelerators
 - Practice aides and guides
 - Pro forma deliverables
 - Industry templates
 - Other reusable information and project deliverables

FMS Network of Excellence

 FMS Network of Excellence Interface		
What is the FMS NoEI?	What's New?	Tips on Using the FMS NoEI
About FMS Vision and Points of View Leadership and Key Contacts FAQ	Selling Marketing Service Offerings Sales Toolkits Proposals Qualifications	Delivery Practice Aides/Accelerators Engagement Storyboards Global Benchmarking Programme
Learning Training Curriculum Training Materials Training Schedule	Knowledge Knowledge Harvesting Research Databases	Methods Ascendant - Methods
Search	Contribute	Questions/Feedback
Need Help? Contact Knowledge Point Service Centre		
Americas: +1 800 705 4321 +1 972 661 6100 Email: knowledge.point.americas@custhelp.com	EMEA: Click and Hold Here for Contact Numbers Email: knowledge.point.emea@custhelp.com@intl	AsiaPacific: +61 2 8266 3333 +81 3 6250 6969 (Japan) Email: knowledge.point.apac@custhelp.com

The FMS, Oracle and iAnalytics navigation screens enable practitioners to easily access information. Practitioners are able to leverage firm knowledge to maximize results in the sales and delivery process.

iAnalytics Center of Excellence

 iAnalytics Center of Excellence		
About This Home Page	Community News	Client Showcase
About iAnalytics Vision and Points of View Leadership and Key Contacts Community and SIGs FAQ Alliances	Selling Marketing Offerings Sales Toolkit Proposals Client Profiles Qualifications Demos	Delivery Capability Model Engagement Storyboards Practice Aides/Accelerators Project Deliverables
Learning Training Curriculum Training Materials Training Schedule Webinars	Knowledge Knowledge Harvesting iAnalytics COE View DW COE View Research Databases	Methods iAnalytics Methods Ascendant - Methods iAnalytics Route Map
Questions/Feedback	Contribute	Search
KnowledgePoint Contact Details In Americas: +1 888 705 4371 +1 972 561 6100 Email: knowledge.point.america@custhelp.com		
In EMEA: Click Here and Hold for Contact Numbers Email: knowledge.point.emea@custhelp.com@intl		
In Asia Pacific: +61 2 9265 3333 +81 3 6250 6969 [Japan] Email: knowledge.point.apac@custhelp.com		

Oracle Network of Excellence




Oracle NoEI

Network of Excellence Interface

What is the Oracle NoEI?		
The Oracle Community		
Oracle Community Information Headlines Go Live Announcements Oracle NoEI FAQs Strategic Alliances		
What's new in the Oracle NoEI?		
Selling		
Sales and Marketing Proposals Oracle Statement of Qualifications Engagement Experience <ul style="list-style-type: none"> • by Module • by Applications Release 		
Tips on using the Oracle NoEI		
Delivery		
Engagement Work Products <ul style="list-style-type: none"> • by Client • by Module • by Applications Release Practice Aids/Accelerators		
Learning		
Oracle Community Webinars Oracle Sandbox Learning Tools and Resources Upcoming Oracle Training		
Knowledge		
New! IBM BCS KM Integration Update Oracle Discussion Forum External Research Services Other NoEI Databases		
Methods		
Oracle Method Ascendant - Methods		
Search		
Contribute		
Questions/Feedback		
Need Help? Contact Knowledge Point		
Knowledge Point Americas: +1 888 705 4321 +1 972 661 6100 Email: knowledge.point.america@custhelp.com		
Knowledge Point EMEA: Click Here and Hold for Contact Numbers Email: knowledge.point.emea@custhelp.com		
Knowledge Point Asia Pacific: +61 2 8266 3333 +81 3 6250 6969 (Japan) Email: knowledge.point.apac@custhelp.com		

SAP Network of Excellence



SAP NoEI

Network of Excellence Interface

Search	Contribute	Feedback	SAP Frequently Asked Questions	Tips on Using the SAP NoEI
Our Community	Selling	Delivery		
<p>SAP Leadership and L&K Organisation <i>NEW! IBM BCS Capability Statement</i> Take advantage of Discussion Question Functionality</p> <p style="text-align: center;">What's new in the SAP NoEI</p>	<p>Proposals Marketing Capability Statement Engagement Experiences</p> <div style="background-color: #ccc; padding: 5px; text-align: center; font-size: small;"> Sales Snapshots Industry Sector SAP Practice SAP Solution Area </div>	<p>Business Practices Engagement Work Products</p> <p style="text-align: center;">Knowledge Harvesting Snapshots</p>		
Learning	Knowledge	Methods, Standards and Tools		
<p style="text-align: center;">SAP Training Information</p> <p>SAP Solution Awareness Training - <i>NEW!</i> SAP Early Product Training - <i>NEW!</i></p>	<p style="text-align: center;">SAP Discussion Forum SAP Infopacks Knowledge Point and SAP Helpdesk</p> <p style="text-align: center;">Available CD ROMs of SAP Material</p>	<p style="text-align: center;">AscendantSAP Methods AscendantSAP Toolset</p> <p>Ascendant / Client Service Site Project Management Community</p>		
<div style="display: flex; justify-content: space-between;"> <div> <p>APAC KnowledgePoint +61 2 826 6510 or +61 2 5493 6500 Email: knowledge.point.apac@custhelp.com</p> <p>EMEA Click and Hold Here for Contact Numbers Email: knowledge.point.emea@custhelp.com</p> </div> <div> <p style="text-align: center;">Americas Knowledge Point +1 888 700-1321 or +1 973 661-5100 Email: knowledge.point.america@custhelp.com</p> </div> <div> <p style="text-align: center;">SAP FMFA Helpdesk +49-6227-73 2222 Send a Request to the SAP FMFA Helpdesk</p> </div> </div>				

Thought Leadership

Our Institute for Business Value creates fact-based insights which are highly valued by our clients. FMS routinely surveys CFOs and issues white papers based on industry points of view



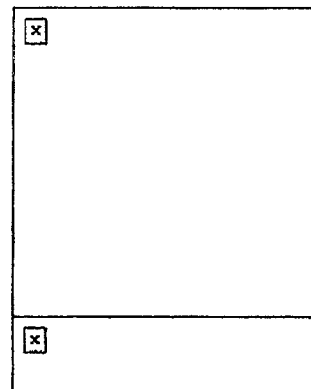
Introduces, explains, and explores shared services, a business strategy that involves centralizing various business units to reduce costs and increase customer satisfaction.

eCFO

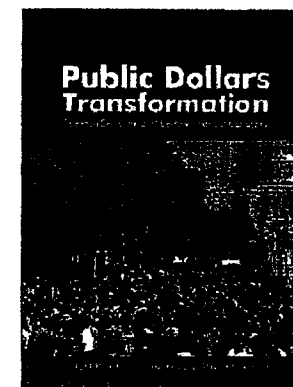
SUSTAINING VALUE IN
THE NEW CORPORATION
How to use the power of the Internet
to create a new business model
that will sustain and grow your business



Provides insight on leveraging e-business with tools, strategies and action plans for success in today's economy..



Examines the approach and strategies organizations may use to manage and reduce costs, enabling the release of investment capital to fuel their businesses' growth.



Emphasizes the key role CFOs play in successful agency transformation – a transformation necessitated by new technologies and globalization.

Thought Leadership

Our Thought Leaders are Featured In Leading Publications including:

FT FINANCIAL TIMES
World business newspaper

The New York Times

CFO.com

An Economist Group business

**BUSINESS
FINANCE**

**strategic
FINANCE**

**INVESTOR'S
BUSINESS
DAILY**

**BANK SYSTEMS
& TECHNOLOGY
ONLINE**
THE TECHNOLOGY ROADMAP
FOR BANKING EXECUTIVES

**Integrated
Solutions**

AMERICAN BANKER

COMPUTERWORLD

INFORMATIONWEEK.COM

efm

**DM
REVIEW**

Chronicle.com
The business of business

INSIGHT

Finance Transformation operating model

Key Attributes

- **Organization:** Virtual
- **Process & Technology:** Seamlessly aligned with organization
- **Information Management:** Core competency of Finance
- **Skills:** People and organizational capabilities aligned with Business Requirements
- **Role:** Finance Functioning as a Business Partner



Finance Operating Model Dimensions

Corporate - Governance

- Defining Finance strategies
- Providing CFO/CEO/Policy Committee/Board support
- Defining policies, standards, & rules
- Ensuring financial information integrity

Small core based at Corporate

Corporate - Technical /COE

- Driving value through corporation
- Supporting M&A, alliances
- Undertaking strategy and business planning
- Managing assets
- Audit and risk management

Expert teams based at Corporate

Transaction Processing

- Processing transactions
- Managing information
- Performing the close

Processing performed at Global and / or Regional Level by service provider (SSC / Outsourced) organization(s)

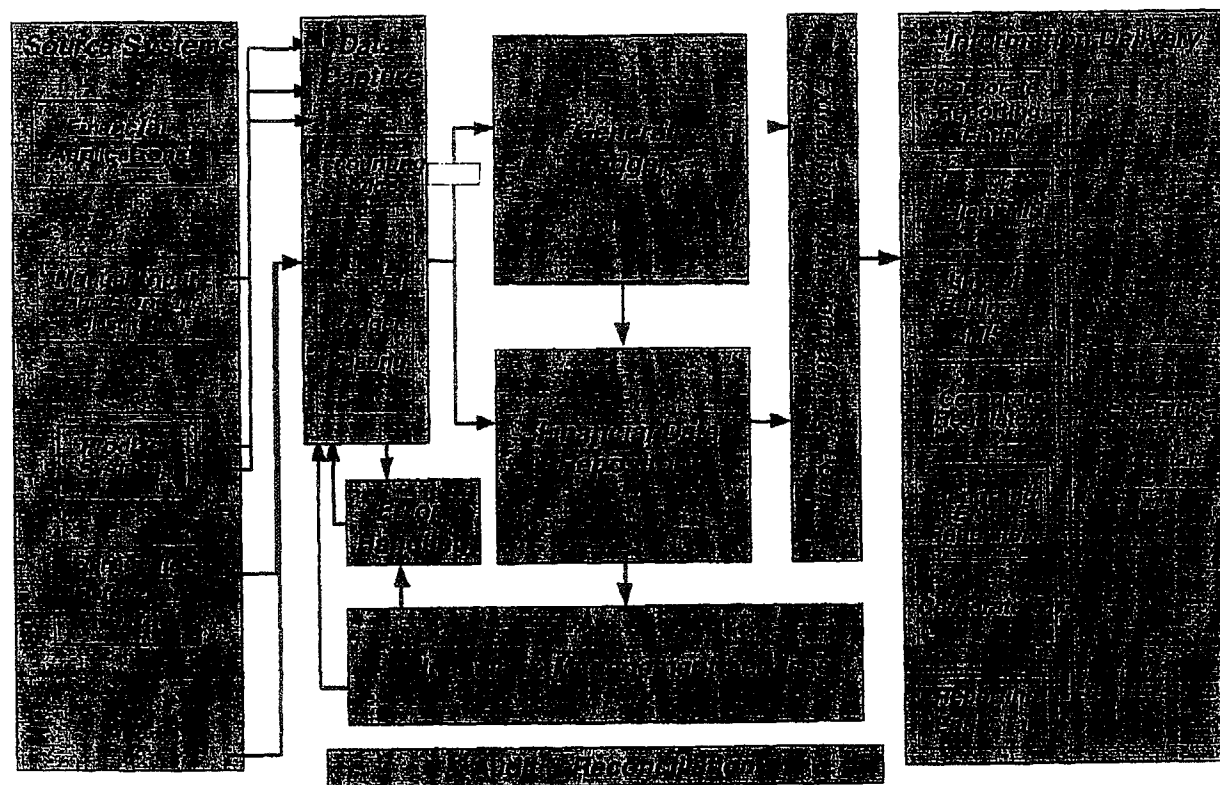
Transaction Processing

- Processing transactions
- Managing information
- Performing the close

Processing performed at Global and / or Regional Level by service provider (SSC / Outsourced) organization(s)

Finance Transformation architecture

Conceptual Application Architecture



Finance Information On Demand Framework

